

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO.: _____
v.	:	DATE FILED: _____
MIGUEL SEPULVEDA	:	VIOLATION:
		18 U.S.C. § 371 (conspiracy - 3 counts)
	:	Notice of additional factors

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. Victaulic Company of America (Victaulic), with a principal office located in Easton, Pennsylvania, was a business engaged in the development and production of mechanical pipe joining systems.
2. Defendant MIGUEL SEPULVEDA was an employee of Victaulic, employed as a Procurement Specialist in Victaulic's purchasing department. In this capacity, SEPULVEDA was responsible for, among other things, purchasing pipe, tube, bar stock, fasteners, and machined component parts. Victaulic company policy strictly prohibited SEPULVEDA from accepting gratuities from suppliers.
3. Precision Screw Machine Products, Inc. (Precision Screw), with a principal office located in Biddeford, Maine, was a business engaged in the sale of bar stock and machined component parts.
4. Victaulic purchased bar stock and machined component parts from

Precision Screw.

5. Victaulic had the right to have the administration of its business and affairs conducted honestly and impartially, free from deceit, fraud, and conflict of interest by its employees.

6. Defendant MIGUEL SEPULVEDA owed to Victaulic his honest, loyal, faithful, disinterested, and unbiased services and performance of duties.

7. Victaulic paid to defendant MIGUEL SEPULVEDA salary and other benefits in reliance upon and in exchange for his honest, loyal, faithful, and disinterested services.

THE CONSPIRACY

8. Between in or about September 1997 and in or about September 2002, in the Eastern District of Pennsylvania and elsewhere, defendant

MIGUEL SEPULVEDA

conspired and agreed, together and with other persons known and unknown to the grand jury, to knowingly and intentionally commit mail fraud, in violation of Title 18, United States Code, Sections 1341 and 1346.

MANNER AND MEANS

It was part of the conspiracy that:

9. Defendant MIGUEL SEPULVEDA solicited and received kickbacks from Precision Screw in return for SEPULVEDA placing Victaulic purchase orders for bar stock and machined component parts from Precision Screw.

10. Precision Screw kicked back to defendant MIGUEL SEPULVEDA

approximately \$471,828 for the purchase of goods from Precision Screw.

11. Defendant MIGUEL SEPULVEDA concealed from Victaulic the fact that he had received, and was going to receive, money from Precision Screw, in connection with Victaulic's purchase of goods from Precision Screw.

12. The kickback payments by Precision Screw to defendant MIGUEL SEPULVEDA were disguised by SEPULVEDA as payments by Precision Screw to fictitious entities DDS Associates, DDS, and Precision Tool, and to SEPULVEDA's wife.

13. Defendant MIGUEL SEPULVEDA supplied Precision Screw with phony invoices from fictitious entity Precision Tool to disguise the kickback payments between Precision Screw and SEPULVEDA.

14. The kickback payments by Precision Screw to defendant MIGUEL SEPULVEDA were sent by United States mail from Maine to SEPULVEDA's residence in Easton, Pennsylvania.

15. Defendant MIGUEL SEPULVEDA deposited kickback money into a credit union account that he maintained in the State of Indiana.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its object, the following overt acts, among others, were committed in the Eastern District of Pennsylvania and elsewhere:

1. In or about 1997, defendant MIGUEL SEPULVEDA received by United States mail approximately \$7,232 in kickbacks from Precision Screw.

2. In or about 1998, defendant MIGUEL SEPULVEDA received by United States mail approximately \$23,551 in kickbacks from Precision Screw.

3. In or about 1999, defendant MIGUEL SEPULVEDA received by United States mail approximately \$22,133 in kick backs from Precision Screw.

4. In or about 2000, defendant MIGUEL SEPULVEDA received by United States mail approximately \$128,585 in kick backs from Precision Screw.

5. In or about 2001, defendant MIGUEL SEPULVEDA received by United States mail approximately \$159,457 in kick backs from Precision Screw.

6. In or about 2002, defendant MIGUEL SEPULVEDA received by United States mail approximately \$130,871 in kick backs from Precision Screw.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

At all times material to this information:

1. Victaulic Company of America (Victaulic), with a principal office located in Easton, Pennsylvania, was a business engaged in the development and production of mechanical pipe joining systems.
2. Defendant MIGUEL SEPULVEDA was an employee of Victaulic, employed as a Procurement Specialist in Victaulic's purchasing department. In this capacity, SEPULVEDA was responsible for, among other things, purchasing pipe, tube, bar stock, fasteners, and machined component parts. Victaulic company policy strictly prohibited SEPULVEDA from accepting gratuities from suppliers.
3. G.P. Fastener and Industrial Supply, Inc. (G.P. Fastener), with a principal office located in Shoemakersville, Pennsylvania, was a business engaged in the sale of construction fasteners and bar stock.
4. Victaulic purchased bar stock from G.P. Fastener.
5. Victaulic had the right to have the administration of its business and affairs conducted honestly and impartially, free from deceit, fraud, and conflict of interest by its employees.
6. Defendant MIGUEL SEPULVEDA owed to Victaulic his honest, loyal, faithful, disinterested, and unbiased services and performance of duties.
7. Victaulic paid to defendant MIGUEL SEPULVEDA salary and other

benefits in reliance upon and in exchange for his honest, loyal, faithful, and disinterested services.

THE CONSPIRACY

8. Between in or about March 1995 and in or about October 1999, in the Eastern District of Pennsylvania and elsewhere, defendant

MIGUEL SEPULVEDA

conspired and agreed with other persons known and unknown to the grand jury to knowingly and intentionally commit mail fraud, in violation of Title 18, United States Code, Sections 1341 and 1346.

MANNER AND MEANS

It was part of the conspiracy that:

9. Defendant MIGUEL SEPULVEDA solicited and received kickbacks from G.P. Fastener in return for SEPULVEDA placing Victaulic purchase orders for construction fasteners and bar stock from G.P. Fastener.

10. G.P. Fastener kicked back to defendant MIGUEL SEPULVEDA approximately \$659,391 for the purchase of goods from G.P. Fastener.

11. Defendant MIGUEL SEPULVEDA concealed from Victaulic the fact that he had received, and was going to receive, money from G.P. Fastener in connection with Victaulic's purchase of goods from G.P. Fastener.

12. The kickback payments by G.P. Fastener to defendant MIGUEL SEPULVEDA were disguised by SEPULVEDA as payments by G.P. Fastener to fictitious entities DiDi's Computer Service, CFO Consulting, Precision Tool, and to SEPULVEDA's wife.

13. Defendant MIGUEL SEPULVEDA supplied G.P. Fastener with phony

invoices from fictitious entity Precision Tool to disguise the kickback payments between G.P. Fastener and SEPULVEDA.

14. Invoices from G.P. Fastener to Victaulic for payment for goods sold were sent by United States mail to Victaulic. In turn, Victaulic's payments to G.P. Fastener for goods purchased were sent by United States mail to G.P. Fastener.

15. Following the receipt of payment from Victaulic, G.P. Fastener made kickback payments to defendant MIGUEL SEPULVEDA.

16. Defendant MIGUEL SEPULVEDA deposited kickback money he received into a credit union account that he maintained in the State of Indiana.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its object, the following overt acts, among others, were committed in the Eastern District of Pennsylvania and elsewhere:

1. Between in or about March 1995 and in or about October 1999, defendant MIGUEL SEPULVEDA, on behalf of Victaulic, placed orders for the purchase of goods from G.P. Fastener in exchange for the payment of kickbacks from G.P. Fastener.

2. Between in or about March, 1995 and in or about October, 1999, G.P. Fastener sent by United States mail invoices to Victaulic for payment for goods sold to Victaulic through defendant MIGUEL SEPULVEDA.

3. Between in or about March, 1995 and in or about October, 1999, G.P. Fastener, following the receipt of payment from Victaulic sent by United States mail, paid kickbacks to defendant MIGUEL SEPULVEDA for the placement of Victaulic orders.

4. In or about 1995, defendant MIGUEL SEPULVEDA received

approximately \$83,745 in kickbacks from G.P. Fastener.

5. In or about 1996 defendant MIGUEL SEPULVEDA received approximately \$89,554 in kickbacks from G.P. Fastener.

6. In or about 1997, defendant MIGUEL SEPULVEDA received approximately \$148,680 in kickbacks from G.P. Fastener.

7. In or about 1998, defendant MIGUEL SEPULVEDA received approximately \$198,055 in kickbacks from G.P. Fastener.

8. In or about 1999, defendant MIGUEL SEPULVEDA received approximately \$139,357 in kickbacks from G.P. Fastener. Approximately six kickback payments totaling approximately \$60,784 were made by G.P. Fastener to SEPULVEDA between on or about July 1, 1999 and on or about October 6, 1999.

All in violation of Title 18, United States Code, Section 371.

COUNT THREE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

At all times material to this information:

1. Victaulic Company of America (Victaulic), with a principal office located in Easton, Pennsylvania, was a business engaged in the development and production of mechanical pipe joining systems.

2. Defendant MIGUEL SEPULVEDA was an employee of Victaulic, employed as a Procurement Specialist in Victaulic's purchasing department. In this capacity, SEPULVEDA was responsible for, among other things, purchasing pipe, tube, bar stock, fasteners, and machined component parts. Victaulic company policy strictly prohibited SEPULVEDA from accepting gratuities from suppliers.

3. The John R. Bromiley Company, Inc. (Bromiley Company), with a principal office located in Chalfont, Pennsylvania, was a business engaged in the sale of machined component parts.

4. Victaulic purchased machined component parts from Bromiley Company.

5. Victaulic paid to defendant MIGUEL SEPULVEDA salary and other benefits in reliance upon and in exchange for his honest, loyal, faithful, and disinterested services.

6. Victaulic had the right to have the administration of its business and affairs conducted honestly and impartially, free from deceit, fraud, and conflict of interest by its employees.

7. Defendant MIGUEL SEPULVEDA owed to Victaulic his honest, loyal, faithful, disinterested, and unbiased services and performance of duties.

THE CONSPIRACY

8. Between in or about January, 1994 and in or about September, 2002, in the Eastern District of Pennsylvania and elsewhere, defendant

MIGUEL SEPULVEDA

conspired and agreed, with other persons known and unknown to the grand jury, to knowingly and intentionally commit mail fraud, in violation of Title 18, United States Code, Sections 1341 and 1346.

MANNER AND MEANS

It was part of the conspiracy that:

9. Defendant MIGUEL SEPULVEDA solicited and received kickbacks from Bromiley Company in return for SEPULVEDA placing Victaulic purchase orders for machined component parts from Bromiley Company.

10. Bromiley Company kicked back to defendant MIGUEL SEPULVEDA approximately \$250,333 for the purchase of goods from Bromiley Company.

11. Defendant MIGUEL SEPULVEDA concealed from Victaulic the fact that he had received, and was going to receive, money from Bromiley Company in connection with Victaulic's purchase of goods from Bromiley Company.

12. The kickback payments by Bromiley Company to defendant MIGUEL SEPULVEDA were disguised by SEPULVEDA as commission payments by Bromiley Company to SEPULVEDA's wife.

12. Invoices from Bromiley Company to Victaulic for payment for goods sold

were sent by United States mail to Victaulic. In turn, Victaulic's payments to Bromiley Company for goods purchased were sent by United States mail to Bromiley Company.

14. Following the receipt of payment from Victaulic, Bromiley Company made kickback payments to defendant MIGUEL SEPULVEDA using the United States mail.

15. Defendant MIGUEL SEPULVEDA deposited kickback money he received into a credit union account that he maintained in the State of Indiana.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its object, the following overt acts, among others, were committed in the Eastern District of Pennsylvania and elsewhere:

1. Between in or about January 1994 and in or about September 2002, defendant MIGUEL SEPULVEDA, on behalf of Victaulic, placed orders for the purchase of goods from Bromiley Company in exchange for the payment of kickbacks from Bromiley Company.

2. Between in or about January 1994 and in or about September 2002, Bromiley Company sent by United States mail invoices to Victaulic for payment for goods sold to Victaulic through defendant MIGUEL SEPULVEDA.

3. Between in or about January 1994 and in or about September 2002, Bromiley Company, following the receipt of payment from Victaulic sent by United States mail, paid kickbacks to defendant MIGUEL SEPULVEDA for the placement of Victaulic orders.

4. In or about 1994, defendant MIGUEL SEPULVEDA received by United States mail approximately \$10,459 in kickbacks from Bromiley Company.

5. In or about 1995, defendant MIGUEL SEPULVEDA received by United

States mail approximately \$24,895 in kickbacks from Bromiley Company.

6. In or about 1996, defendant MIGUEL SEPULVEDA received by United States mail approximately \$28,957 in kickbacks from Bromiley Company.

7. In or about 1997, defendant MIGUEL SEPULVEDA received by United States mail approximately \$49,581 in kickbacks from Bromiley Company.

8. In or about 1998, defendant MIGUEL SEPULVEDA received by United States mail approximately \$37,289 in kickbacks from Bromiley Company.

9. In or about 1999, defendant MIGUEL SEPULVEDA received by United States mail approximately \$27,904 in kickbacks from Bromiley Company.

10. In or about 2000, defendant MIGUEL SEPULVEDA received by United States mail approximately \$27,790 in kickbacks from Bromiley Company.

11. In or about 2001, defendant MIGUEL SEPULVEDA received by United States mail approximately \$33,011 in kickbacks from Bromiley Company.

12. In or about 2002, defendant MIGUEL SEPULVEDA received by United States mail approximately \$10,447 in kickbacks from Bromiley Company.

All in violation of Title 18, United States Code, Section 371.

NOTICE OF ADDITIONAL FACTORS

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. In committing the offenses charged in Counts One through Three of this information, defendant MIGUEL SEPLVEDA:

- a. Caused a loss or attempted loss to Victaulic Company of America in excess of \$1,000,000, as described in U.S.S.G. § 2B1.1.
- b. Abused a position of private trust, as described in U.S.S.G. § 3B1.3.

PATRICK L. MEEHAN
United States Attorney